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FOR IMMEDIATE RELEASE
JUNE 21, 2005

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**THE WEILL MEDICAL COLLEGE OF CORNELL UNIVERSITY PAYS
\$4,385,696 TO SETTLE FEDERAL CIVIL GRANT FRAUD CHARGES**

DAVID N. KELLEY, the United States Attorney for the Southern District of New York, and MARK MERSHON, the Assistant Director In Charge of the New York Office of the FBI, announced today that the Weill Medical College of Cornell University ("Weill Medical College") has agreed to pay \$4,385,696 to resolve civil charges that Weill Medical College defrauded the Government in connection with funds it was awarded under a grant by the National Institutes of Health ("NIH"). Weill Medical College was awarded the NIH grant to support a Children's Clinical Research Center ("CCRC") where Weill Medical College physician-investigators provided pediatric clinical care and conducted research. The allegations of fraud were first brought to the attention of the government by a whistleblower, who filed a qui tam complaint under the False Claims Act.

United States District Judge DENNY CHIN approved the settlement today in Manhattan federal court.

The Complaint filed by the United States alleges that

Weill Medical College defrauded the government and made false statements to the NIH in connection with Weill Medical College's administration of the grant, its competitive and non-competitive grant renewal applications, and its drawdowns of funds under the grant. In particular, the Complaint alleges that Weill Medical College (1) knowingly allowed one physician-investigator and the pediatric-endocrinology division at Weill Medical College to garner all the federal resources and, in effect, dominate the research at the CCRC at the expense of the government, contrary to the controlling NCRR guideline, which is designed to ensure that government money is spent to support research in a broad array of scientific disciplines; (2) charged the grant for the full salaries for certain in-patient nurses when in fact those nurses never provided any services to the CCRC; (3) charged the grant for the full salaries of an out-patient nurse, four laboratory technicians, one laboratory aide and a grant administrator when those employees did not dedicate 100 percent of their work effort to the CCRC; (4) failed to account for out-patient services charged to the grant; and (5) double-billed the Medicaid program for certain services charged to the grant.

Weill Medical College agreed to pay the Government \$4,385,696 to settle the charges detailed in the Government's Complaint. In agreeing to the settlement, Weill Medical College did not admit any wrongdoing or liability.

Mr. KELLEY stated: "Our federal research dollars are precious and must be safeguarded to ensure that they are spent solely in accord with the controlling federal guidelines, which are designed to support a broad array of scientific inquiry that will provide the most benefit to the public, and for services and research that are actually performed on the federally funded CCRCs. This settlement demonstrates the federal Government's resolve to protect these funds and to ensure that they are spent only for the purposes for which they are awarded. Integrity in the administration of our public programs by grantee institutions is of the utmost importance."

Mr. KELLEY praised the investigative efforts of the Federal Bureau of Investigation in the case, and the assistance provided by the HHS Office of Inspector General Office of Audit Services.

Assistant United States Attorneys SHEILA M. GOWAN and KATHY MARKS are in charge of the case.

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